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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. BILLIE DAVIS ESCROW, Respondent.	Case No.: 963-1694 ORDER TO DISCONTINUE VIOLATIONS PURSUANT TO CALIFORNIA FINANCIAL CODE SECTION 17602

TO: BILLIE DAVIS ESCROW
C/o Billie Davis, President
9301 Wilshire Blvd., Ste. 312
Beverly Hills, CA 90210

State of California - Department of Corporations

The Complainant is informed and believes and based upon such information and belief, alleges and charges as follows:

1. BILLIE DAVIS ESCROW, a California corporation ("Billie Davis" or "Respondent") is an escrow agent holding a valid and unrevoked license issued by the Commissioner of Corporations of the State of California ("Commissioner"), pursuant to the Escrow Law of the State of California (§ 17000 et seq. of the California Financial Code) and has its main office located at 9301 Wilshire Blvd., Ste. 312, Beverly Hills, California.

2. Billie Davis made representations regarding guarantee of trust obligations in their advertisements that were false and misleading and failed to maintain the required fidelity bond for engaging in receiving escrows for deposit or delivery of types of transactions not covered by Escrow Agents' Fidelity Corporation, including personal property escrows for surrogate parenting in violation of California Financial Code § 17346(a) and California Code of Regulations, Title 10, § 1723, respectively.

3. California Financial Code section 17346(a) provides in relevant part:

> Fidelity Corporation and its members shall not advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to a guarantee of trust obligations in their advertisements that is false or misleading or calculated to deceive or misinform the public. Any statement or representation with regard to a guarantee of trust obligations… shall be reviewed and approved by the commissioner prior to its use.

4. California Code of Regulations, title 10, section 1723 provides:

> (a)….Licensees…that will engage in or are engaged in the business of receiving escrows for deposit or delivery of the types of transactions not specified in subdivision (c) of Section 17312 of the Financial Code shall do the following:
>
> (1) File with the Department a fidelity bond, providing fidelity coverage on each officer, director, trustee, and employee of not less than $125,000, for the purpose of indemnifying the escrow agent, or the escrow agent's successor in interest, for loss of trust obligations held by the escrow agent as a result of the fraudulent or dishonest abstraction, misappropriation, or embezzlement of trust obligations by an officer, director, trustee, or employee of the escrow agent. The fidelity bond may be either a primary

commercial blanket bond or a blanket position bond, but shall be written by an insurer who has been licensed by the Department of Insurance of the State of California.

5. California Financial Code section 17312(c) provides in relevant part:

> (c) The required membership in Fidelity Corporation shall be limited to those licensees whose escrow business location is located within the State of California and who engage, in whole or in part, in the business of receiving escrows for deposit or delivery in the following types of transactions:
>
> (1) Real property escrows, including, but not limited to, the sale, encumbrance, lease, exchange, or transfer of title, and loans or other obligations to be secured by a lien upon real property.
> (2) Bulk sale escrows, including, but not limited to, the sale or transfer of title to a business entity and the transfer of liquor licenses or other types of business licenses or permits.
> (3) Fund or joint control escrows, including, but not limited to, transactions specified in Section 17005.1, and contracts specified in Section 10263 of the Public Contract Code.
> (4) The sale, transfer of title, or refinance escrows for manufactured homes or mobilehomes.
> (5) Reservation deposits required under Article 2 (commencing with Section 11010) of Chapter 1 of Part 2 of Division 4 of the Business and Professions Code or by regulation of the Department of Real Estate to be held in an escrow account.
> (6) Escrows for sale, transfer, modification, assignment, or hypothecation of promissory notes secured by deeds of trust.

6. By reason of the foregoing, Billie Davis has violated California Financial Code § 17346(a) and California Code of Regulations, title 10, section 1723.

7. Financial Code section 17602 provides:

> If it appears to the commissioner that any licensed escrow agent has violated its articles of incorporation, or any law or rule binding upon it, the commissioner shall, by written order addressed to the agent direct the discontinuance of such violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 17604.

8. Financial Code section 17604 provides:

> No order issued pursuant to Section 17602 or 17603 may become final except after notice to any licensed escrow agent affected thereby of the intention of the commissioner to make such order final and of the reasons therefore and that upon

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> receipt of a request the matter will be set down for hearing to commence within 15 business days after such receipt unless the licensed agent affected consents to a later date. If no hearing is requested within 30 days after the mailing of such notice and none is ordered by the commissioner, the order may become final without hearing and the licensed escrow agent shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act , Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted thereunder. If upon the hearing, it appears to the commissioner that the licensed agent is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law binding upon it, the commissioner shall make the order of discontinuance final and the licensed escrow agent shall immediately discontinue the practices named in the order.

WHEREFORE, good cause showing, the California Corporations Commissioner is issuing an Order to Discontinue Violations and notifying Billie Davis of his intention to make the order final.

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of California Financial Code sections 17602 and 17604 that BILLIE DAVIS ESCROW immediately discontinue the violations set forth above.

Dated: September 24, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
ALAN S. WEINGER
Deputy Commissioner, Enforcement Division